

June 18, 2010

The Honorable Mark Miller, Co-Chair
Joint Committee on Finance
317 East State Capitol
Madison, WI 53707

The Honorable Mark Pocan, Co-Chair
Joint Committee on Finance
309 East State Capitol
Madison, WI 53707

Dear Senator Miller and Representative Pocan:

I am writing to you on behalf of the BadgerNet Converged Network (BCN) Advisory Council. Under our charter, the Council advises the Department of Administration (DOA) on customer issues relating to the network contract, network operations, and the process for developing timely solutions to problems related to broadband and other BCN services provided under a DOA contract with AT&T and over 70 other local telecommunication carriers.

More than 930 schools and libraries get their broadband connectivity from BadgerNet and the Advisory Council strongly supports the federal broadband grant to bring fiber connectivity to the schools and libraries that still do not have it. However, at the Council's June 17 meeting it unanimously passed a motion that I contact you regarding two critical issues related to the successful implementation of this grant.

1) Broadband speed and costs. The DOA grant application specifically states that if funded, libraries will get a 20Mbps BadgerNet circuit for \$100/month and schools will get 100Mbps for \$250/month. This information was also disseminated statewide to our schools and libraries when the grant was submitted in August 2009. Once the grant was funded in February, schools and libraries then crafted their budgets and network upgrades based on this level of bandwidth and cost. (Note: These costs are supported by the DOA's TEACH program.)

2) BadgerNet contract extension. The DOA grant application specifically states that if funded, the grant "will allow the State of Wisconsin to contractually commit to keep this service installed until November 2016." In brief, this means the grant was approved based on assurances that DOA would have a contract to provide BadgerNet broadband connectivity to our schools and libraries until at least November 2016. This commitment to 2016 was largely done to address the need in the grant to ensure that any network improvements made using grant funds would be used for an extended time after the grant funds were spent. Further, the reduction in retail rates under a contract extension will not only benefit schools and libraries through the TEACH program, but will also significantly reduce bandwidth costs for all BCN customers, including state agencies and institutions of higher education.

These two issues are firmly linked. To ensure the above bandwidth pricing, the contract needs to be extended to 2016. This need is based not just on language in the grant application but it is also based on the cost discounts provided by the carriers. A contract extension of shorter duration not only contradicts the grant application language but will make it highly unlikely that TEACH can support the bandwidth costs referenced above. And if it cannot, this will also contradict the grant language.

The parties involved—the Department of Administration and the carriers—knew when the grant was filed in August 2009 that the BadgerNet contract needed to be extended to 2016. Yet it is now almost a year later and this extension is still pending. (In separate correspondence we have strongly encouraged DOA to extend the contract.) This delay means that no activity has been done on the grant and the grant timeline to get fiber installed in many schools and libraries by late fall is in serious jeopardy.

In conclusion, the BadgerNet Advisory Council strongly supports this grant but our schools and libraries need assurance that the above bandwidth and costs will be honored and this can likely only be done with a contract extension to 2016. There is tremendous anticipation and expectations in the school and library communities that this grant will bring them the broadband connectivity they so desperately need. It is time to resolve the contract issue so that the project can move forward.

Thank you for your continued support of the BCN. Please let me know if there is any way I may be of assistance.

Sincerely,

Timothy C. Schell
Chair, BCN Advisory Council

CC: Members of the Joint Committee on Finance
Governor Jim Doyle
Secretary Michael L. Morgan, Department of Administration
Deputy Secretary Dan Schooff, Department of Administration
Bob Lang, Director, Legislative Fiscal Bureau
Members of the BCN Advisory Council